REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Republic Act (RA) No. 7279
BIR Ruling No. 630-18
OT- 484 - 2021
DEC 24 2021

NAPICO HOMEOWNERS ASSOCIATION, INC. IX-B
1331 Kamatis Street, NAPICO, Brgy. Manggahan,
Pasig City

Attention : **Ms. Jocelyn P. Climaco**
President

Gentlemen:

This refers to your letter dated January 28, 2021, requesting exemption from the payment of taxes relative to the transfer of titles of land from NAPICO Homeowners' Association, Inc. IX-B in favor of its qualified member-beneficiaries pursuant to Republic Act (RA) No. 7279, otherwise known as the "Urban Development and Housing Act of 1992."

It is represented that NAPICO Homeowners' Association, Inc. IX-B with Taxpayer Identification Number (TIN) is registered with the Housing and Land Use Regulatory Board (HLURB) under Registration Number NCR-HOA 17-0286; that the Association acquired a property through a loan under the Community Mortgage Program (CMP) with the National Housing Authority (NHA) as Originator and was taken out/paid on November 26, 2004 as certified by the Social Housing Finance Corporation (SHFC) dated April 16, 2012; that the association is now the registered owner of the above-mentioned parcel of land covered by Transfer Certificate of Title (TCT) No. with an area of Forty Eight Thousand Twenty Eight (48,028) square meters; and that the association is now in the process of effecting the transfer/individualization of the said property to its Three Hundred Fifty (350) member-beneficiaries who actually bought the said parcel of land.

In reply, please be informed that the transfer of the subdivided lots in favor of the qualified socialized housing member- beneficiaries of NAPICO Homeowners' Association, Inc. IX-B is not subject to either the capital gains tax (CGT) imposed under Section 27 (D)(5) of the National Internal Revenue Code (Tax Code) of 1997, as amended, or the creditable withholding tax (CWT) imposed under Revenue Regulations (RR) No. 2-98, as amended, considering that said transfer is only a formality to finally effect the transfer of the subject property to its member-beneficiaries who actually bought the same from the former owner through the association. In other words, the association is merely transferring the ownership of the property to its member-beneficiaries who actually own the same. *(BIR Ruling No. 630-18 dated April 11, 2018)*

Moreover, the said transfer is not subject to the donor's tax imposed under Section 99 of the Tax Code of 1997, as amended, since there is no donative intent on the part of association to donate the property to its members-beneficiaries, considering that it could not donate property the ownership of which already belongs to the members-beneficiaries themselves.

Furthermore, under Section 196 of the Tax Code of 1997, as amended, the deeds or documents subject to the documentary stamp tax (DST) imposed therein are those where the realty sold are granted, assigned, transferred, donated or otherwise conveyed to a purchaser or purchasers or to any other person or persons designated by such purchaser or purchasers, thereby excluding from its purview the instant case. Accordingly, the transfer of the subdivided lots in favor of the beneficiaries is not subject to DST under Section 196 of the Tax Code of 1997, as amended. However, the notarial acknowledgment to the deed of conveyance is subject to the DST of P30.00 pursuant to Section 188 of the Tax Code of 1997, as amended.

CTE No. OT-484-2921
Date issued ~~DEC 2 4 2021~~

It is, however, understood that this Ruling is never intended, and shall not be construed, as giving authority to the concerned Register of Deeds (RD) to effect transfer of the land titles in the names of the qualified socialized housing member-beneficiaries without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this Ruling shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR after the submission of the complete requirements provided under Revenue Memorandum Order (RMO) No. 15-2003.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Issued this _____day of DEC 2 4 2021, ______.

CAESAR R. DULAY
Commissioner of Internal Revenue
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